

CITY OF LEBANON, KENTUCKY
P.O. BOX 840, LEBANON, KY 40033

FORM NO. 520

(Please Review Instruction Sheet Before Completion)

LICENSE FEE RETURN

BUSINESS NAME			CALENDAR OR FISCAL YEAR ENDED		
			MONTH	DAY	YEAR
STREET ADDRESS			FEDERAL TAX ID OR SSN		
CITY	STATE	ZIP CODE			

COMPUTATION OF LICENSE FEE

1. Net Profits Subject to License Fee (Enter Line 7, Schedule A, Page 2.).....	\$	
2. City of Lebanon License Fee @ 1%.....	\$	
3. Interest @ 12% per annum.....	\$	
4. Penalty @ 5% per month or portion of month.....	\$	
5. Total (Items 2, 3, and 4	\$	
6. Less Credits (Enter Line 2, Schedule D, Page 2).....	\$	
7. Balance Due.....	\$	

QUESTIONS (ANSWER FULLY)

1. Check Which: ☐ Corporation, ☐ Partnership, ☐ Individual Owner, ☐ Fidiciary, ☐ Other (State) _____
2. Nature of Business (Trade) _____
3. Date Business Started or Trust Created _____
4. Did you pay a business privilege License for the Previous Year? ☐ Yes ☐ No
5. If Organization was Discontinued, State Whether by Dissolution _____ or Sale _____
If by sale, give Name & Address of Successor Organization _____
6. Did you have any Employees in Lebanon during the taxable year? ☐ Yes ☐ No
7. Has the Lebanon License Fee been withheld from All Subject Employees and Remitted Quarterly in accordance with Regulations?
☐ Yes ☐ No, Explain _____
8. Has Return of Info. for Each Employee, as Per the Regulations Been Forwarded to the License Fee Division? ☐ Yes ☐ No
9. Check Whether this Return is prepared on Cash _____ or Accrual _____ Basis.
10. Show Name and Address of each place of Business operated Subject to Lebanon License Fee and check if not included in this return.

	Not Included

I HEREBY CERTIFY THAT THE STATEMENTS MADE HEREIN AND IN ANY SUPPORTING SCHEDULES ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature of Individual Preparing Return	Date	Signature of Taxpayer	Date
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THIS RETURN MUST BE FILED AND PAID IN FULL ON OR BEFORE APRIL 15, OR WITHIN 105 DAYS AFTER CLOSE OF FISCAL YEAR PER ORDINANCE 07-17 SUBMIT A COPY OF SUPPORTING FEDERAL INCOME TAX RETURN ALONG WITH THIS RETURN.

Make Check Payable To: CITY OF LEBANON Mail To: TAX ADMINISTRATOR, CITY OF LEBANON, P.O. BOX 840, LEBANON, KY 40033

SCHEDULE A**Computation of Net Profits Subject to License Fee**

1. Net Income Per Federal Return, Form 1040 _____; 1041 _____; 1065 _____; 1120 _____	\$.
2. Add Items Not Deductible Under License Fee Ordinance (Schedule B).....	\$.
3. Total (Line 1 plus Line 2).....	\$.
4. Deduct Item Not Subject Under License Fee Ordinance (Schedule B).....	\$.
5. Adjusted Income for Calendar Year 20____ or Fiscal Year Ending _____	\$.
6. Percent (As Determined by Schedule C).....		%
7. Net Profits Subject to Lebanon License Fee - Enter as Item 1, Page 1.....	\$.

SCHEDULE B**Adjustment of Net Profit for Federal Tax Purposes to Provisions of Lebanon License Fee Ordinance****NOTE: Add And/Or Deduct Only Those Items Which Are Included In Calculating Net Income Per Federal Return**

ITEMS NOT DEDUCTIBLE - ADD		ITEMS NOT SUBJECT - DEDUCT	
A. State or Local Taxes Based on Income	\$	H. Interest on Corporate Bonds	\$
B. License Fee under this Ordinance	\$	I. Interest on U.S. Government Securities	\$
C. Capital Gain (50% subject)	\$	J. Royalties on Patents, Copyrights	\$
D. Net Operating Loss Deduction	\$	K. Dividends	\$
E. Partners' Salaries (attach schedule)	\$	L. Capital Loss	\$
F. Other Items (list)	\$	M. Other items (list)	\$
	\$		\$
G. Total Additional (Enter as Line 2, Schedule A)	\$	N. Total Deductions (Enter as Line 4, Schedule A)	\$

SCHEDULE C**Business Allocation Percentage Formula**

Divide (A) by (B) to obtain Decimal - Carry Out Decimal at Least 6 Places

ALLOCATION FACTORS	Column 1 Lebanon Factor (A)	Column 2 Total Factor (B)	Column 3 Percentage
1. Gross Sales of Merchandise, Less Returns and Allowance (Do Not Include Include Discounts Allowed)	\$	\$	%
Charges for Work or Service Performed	\$	\$	
Other Income	\$	\$	
Total Business Receipts Factor	\$	\$	
2. Wages, Salaries, and Other Personal Service Compensation	\$	\$	%
Total Net Wages Factor	\$	\$	
3. Total Percents			%
4. Average Percentage (Carry Percentage in Col 3 to Line 6, Schedule A)			%

SCHEDULE D**Credits**

1. Amount Minimum License Fee Paid For Taxable Year (License # _____)	\$.
2. Estimates & Extension Payment(s)	\$.
3. Total Credit (Enter As Item 6, Page 1)	\$.

INSTRUCTIONS FOR FILING CITY OF LEBANON OCCUPATIONAL LICENSE FORM 520

WHEN TO FILE: For taxpayers filing on a calendar year basis, the return (and accompanying payment) must be returned to TAX ADMINISTRATOR not later than April 15 of the year following the year being reported. For taxpayers on a fiscal year basis (other than a calendar year), the return (and accompanying payment) must be returned to the TAX ADMINISTRATOR not later than the fifteenth day of the fourth month following the end of the fiscal year.

WHO IS REQUIRED TO FILE FORM 520: Any individual or business (partnership, proprietorship, or corporation) doing business within the City of Lebanon (other than non-profit organizations so recognized by the Internal Revenue Service) must file Form 520 unless all subject income has been reported by the employer and the appropriate license fee withheld or the individual reports as an Individual taxpayer on Form 510.

INDIVIDUALS WHO HAVE INCOME REPORTED ON FORM 510: Individuals should attach a copy of Form 510 to Form 520 return. Income allocable to the City of Lebanon and subject to the occupational license fee may not be set off against any loss reported on Form 520. Form 520 is only for the reporting of income from the conduct of business activity (including self-employment).

DETERMINATION OF NET INCOME: Net income from the conduct of a business activity is to be the same as reported on the Kentucky return, subject to the adjustments contained in Form 520. It is not to include wages and salaries received as an employee of some other business. Every business entity shall submit a copy of its federal income tax return and all supporting statements and schedules at the time of filing its Occupational License Tax return with the City of Lebanon.

SPECIAL PROVISION FOR LARGE REPORTING ENTITIES: Large reporting entities, particularly corporations doing business in several locations, may apply to the Tax Administrator for permission to report on Form 520 on their operations in Lebanon only, if they can demonstrate to the satisfaction of the Tax Administrator that sufficient records are maintained to account for all revenues and expenses attributable to the Lebanon operation, and if they can also demonstrate that the proportion of net profits and revenue in the Lebanon operation does not materially differ from the proportion of net profits and revenue from the corporation taken as a whole.

BUSINESS ALLOCATION FORMULA: In reporting revenues from sales and/or payroll, taxpayers should consult Section IV of the Ordinance. This section gives guidance as to what items are and are not included in "Sales". If an operation is totally conducted within the City of Lebanon, allocation is not necessary, and all revenues and expenses associated with that operation are to be included in the determination of net income. (Aside from the specific exemptions and exclusions shown on Form 520).

REPORTING ENTITY: Employees of a corporation, including major shareholders, should have withholdings made from their salaries, which will be reported and remitted to the City of Lebanon quarterly. The corporation should file an annual return (Form 520) on its net profit.

Partnerships should file a return on the net profit of the business activity. The individual partner's earnings should be included in the subject business's net profit. It will not be necessary for the individual partners to file individual returns unless they have earnings from other businesses, each of which should be separately filed.

CONSOLIDATION OF RETURNS: Owner(s) of businesses may apply to the TAX ADMINISTRATOR for permission to file a consolidated return on all business activities if the following criteria are met: The same ownership interests are represented in all the business activities; no one of the business activities reports a net loss; the business allocation percentage for each of the business activities equals or exceeds 75% allocable to Lebanon. Otherwise, separate returns must be filed for each business activity.

NET LOSS: In instances in which the business activity reports a net loss, the taxpayer reports the loss and shows compliance with the Ordinance requirement of a payment of minimum license fee. Net losses of one business activity may not be set off against net profits of another business activity.

***PER ORDINANCE 07-17 SECTION SIX: (2) EVERY BUSINESS ENTITY SHALL SUBMIT A COPY OF ITS FEDERAL INCOME TAX RETURN AND ALL SUPPORTING STATEMENTS AND SCHEDULES AT THE TIME OF FILING ITS OCCUPATIONAL LICENSE TAX RETURN WITH THE CITY OF LEBANON.**